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SUBJECT: MEDIA REACTION ON CAFTA, AUGUST 3, 2005

1. On 08/03 the Tegucigalpa-based liberal daily "La Tribuna" published an editorial entitled "There's No Turning Back."  
"In a White House ceremony attended by the Secretary General of the Organization of American States and various ambassadors, U.S. President George W. Bush signed the Free Trade Agreement with Central America and the Dominican Republic. It had been recently approved by the House of Representatives with a narrow margin of 217 to 215 votes."

"Bush's triumph gives him the opportunity to show his interest in the neighboring democracies. Alternatively, the lack of a commercial framework would have created a bad situation for Central American economies. Up to now, these countries have enjoyed the benefits of the Caribbean Basin Initiative, which provides access to the North American market."

"A recent article published in the Wall Street Journal confirms that the agreement `essentially gives permanent status to the temporary packet of benefits already enjoyed by the region, (specifically those benefits under the Caribbean Basin Initiative) and allows limited access for the highly competitive industries such as sugar.'"

"The article also points out that `Washington's unenthusiastic approval of an agreement that was extensively seen in Latin America as favoring the United States will probably add to the country's decreasing influence over the region.'"

"Regardless of the criticism from the American newspaper, the influence that the United States has over Central America is irrefutable when taking into account that much of our economic development is strongly linked to what we do within the CAFTA framework. Whatever the feelings were towards CAFTA in the past, we have to recognize that it is now a reality. The Agreement has passed the approval stages in the United States and will only need to be ratified by three countries to enter into force. There is no turning back. It is a reality for which the only option is to create a position of competitive advantage for the country."

Tuebner